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## **An Act Regarding Repayment of Subrogation or Lien Claims in Workers' Compensation Actions**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 39-A MRSA §107,** as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is amended by adding after the 3rd paragraph a new paragraph to read:

When recovery from a 3rd party is compromised or limited such that repayment of any lien or subrogation interest would constitute a hardship on the employee, that lien or subrogation interest must be reduced in the proportion that the settlement or judgment bears to the evaluation of the employee's total cognizable damages at law. Any such reduction must be based on a determination that the reduction would be equitable.

### **SUMMARY**

This bill amends the laws governing workers' compensation to provide for the reduction of any lien or subrogation interest when recovery from a 3rd party is so limited that repayment of the lien or subrogation interest would constitute a hardship on the employee.